Sale of Shares of Modern Food to Hindustan Lever

*60. SHRI VAYALAR RAVI: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether Government have sold the major shares of the Modern Food to Hindustan Lever;

(b) if so, what is the price received and how the value of the assets was fixed; and

(c) whether Government are aware that the total assets of the Modern Food is Rs. 1000/- crores?

THE MINISTER OF STATE OF THE MINISTRY OF INFORMATION AND BROADCASTING AND MINISTER OF STATE OF THE DEPARTMENT OF DISINVESTMENT (SHRI ARUN JAITLEY): (a) and (b) The Government has disinvested 74% of its equity holding in Modern Food Industries (India) Ltd. (MFIL) to Hindustan Lever Limited (HLL). HLL has paid Rs. 105.45 crores to the Government and has further infused Rs. 20 crores in MFIL in such a way that the equity holding of HLL in MFIL remains restricted to 74%.

(c) The asset valuation done by the Government Valuer has pegged the market including land, building and flats etc. of MFIL at Rs. 109 crores. This value did not consider the restrictions/riders on the land use and lease hold conditions etc. The depreciated value of the plant and machinery of the Company as on 31.3.99 is Rs. 8.64 crores. There is no basis for valuing the total assets of the Company at Rs. 1000 crores.

WRITTEN ANSWERS TO UNSTARRED QUESTIONS

Dumping of Fibre Glass insulation in India by some Multinationals

292. SHRI C.M. IBRAHIM: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government's attention has been drawn to the report in the Business Standard of December 22, 1999 to the effect that some multinationals are resorting to large scale dumping of fibre glass insulation in India to the detriment of Indian Manufacturers;

(b) whether it is a fact that their selling price in India does not cover even their production and transportation cost; and